

COMPACT GOAL

The MCC compact with Indonesia includes three projects. The Green Prosperity Project aims to increase productivity in rural areas by expanding access to renewable energy and improving land use practices to support low carbon economic development, protection of natural capital, and increased household incomes. The Community-Based Nutrition Project intends to reduce and prevent low birth weight, childhood stunting and malnourishment, and increase household income through cost savings, productivity growth and higher lifetime earnings. Finally, the Procurement Modernization project aims to achieve significant government expenditure savings on procured goods and services, while assuring their quality satisfies the public need, and to achieve the delivery of public services as planned.

COMPACT AT A GLANCE

Eligibility Notification.....	12-11-2008
Constraints Analysis.....	10-15-2009
Concept Paper Received.....	06-16-2010
CN on Intent to Negotiate.....	07-08-2011
Board Approval.....	09-28-2011
CN on Intent to Sign Compact.....	10-20-2011
Compact Signed.....	11-19-2011



■ Project Preparation ■ Project Implementation

Eligibility Notification	
12-11-2008	On December 11, 2008, Indonesia was selected as eligible for a Millennium Challenge Corporation Compact by MCC's Board of Directors.
Constraints Analysis	
10-15-2009	The Asian Development Bank, International Labor Organization, and Islamic Development Bank conducted an economic constraints analysis for Indonesia which identified infrastructure, governance and education as key constraints to economic growth in the country and called for the "greening" of economic growth and poverty reduction initiatives.
Concept Paper Received	
06-16-2010	Regional and national public consultations around the MCC approach and project concepts took place in February and March 2010. This process resulted in the submission of 388 project concepts. In June 2010, the Government of Indonesia submitted 13 concept papers to MCC. Following MCC's assessment of these concept papers, MCC and the Government of Indonesia agreed upon the project ideas to be further developed.
CN on Intent to Negotiate	
07-08-2011	The Congressional Notification was submitted on July 8, 2011.
Board Approval	
09-28-2011	MCC's Board of Directors approved a five-year, \$600 million compact with the Government of Indonesia.

CN on Intent to Sign Compact	
10-20-2011	The Congressional Notification was submitted on October 20, 2011.
Compact Signed	
11-19-2011	The compact was signed on November 19, 2011 in Bali by the MCC Board Chair, Secretary of State Hillary Clinton and Indonesian Minister of Finance Agus Martowardojo.

The set up of the Millennium Challenge Account - Indonesia (MCA-I) continued to be a major focus of activity during this quarter, with continuing recruitment of key staff, ongoing discussions regarding implementation arrangements and project design refinement and general preparation for compact Entry-Into-Force taking place.

Green Prosperity Project preparation work is continuing in the four starter districts (Mamasa and Mamuju in West Sulawesi and Merangin, and Muaro Jambi in Jambi) to conduct initial land use planning activities, plan multi-stakeholder forums, assess potential project opportunities in renewable energy and sustainable land use and agriculture and prioritize additional districts with the greatest potential for Green Prosperity investments.

The MCA-Indonesia Board of Trustees will consist of 7 members. The selection process for the three non-government members of the Board of Trustees is nearing completion. The four government members of the Board of Trustees will be Bappenas Vice Minister Lukita Tuwo as Chair; the Director General of Debt Management of MOF; the Director General for PMD of the Ministry of Home Affairs; and the Deputy Minister for Development Funding of Bappenas.

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